



April 23, 2015

Mark Scheinberg  
President  
Goodwin College  
One Riverside Drive  
East Hartford, CT 06118-9980

UPS Tracking #:  
1Z A87 964 01 9974 6343

RE: **Final Program Review Determination** (Reissued for revised repayment instructions)  
OPE ID: 02244900  
PRCN: 2010-101-27063

Dear Mr. Scheinberg:

The U.S. Department of Education's (Department's) School Participation Team – New York/Boston issued a program review report on January 5, 2012 covering Goodwin College's (Goodwin) administration of programs authorized by Title IV of the Higher Education Act of 1965, as amended, 20 U.S.C. §§ 1070 et seq. (Title IV, HEA programs), for the 2008-2009 and 2009-2010. Goodwin's final response was received on March 6, 2012. A copy of the program review report (and related attachments) and Goodwin's response are attached. Any supporting documentation submitted with the response is being retained by the Department and is available for inspection by Goodwin upon request. Additionally, this Final Program Review Determination (FPRD), related attachments, and any supporting documentation may be subject to release under the Freedom of Information Act (FOIA) and can be provided to other oversight entities after this FPRD is issued.

**Purpose:**

Final determinations have been made concerning all of the outstanding findings of the program review report. The purpose of this letter is to: (1) identify liabilities resulting from the findings of this program review report, (2) provide instructions for payment of liabilities to the Department, and (3) notify the institution of its right to appeal.

The total liabilities due from the institution from this program review are \$379,304.31.

This final program review determination contains detailed information about the liability determination for all findings.

**Protection of Personally Identifiable Information (PII):**

PII is any information about an individual which can be used to distinguish or trace an individual's identity (some examples are name, social security number, date and place of birth). The loss of PII can result in substantial harm, embarrassment, and inconvenience to individuals and may lead to identity theft or other fraudulent use of the information. To protect PII, the findings in the attached report do not contain any student PII. Instead, each finding references students only by a student number created by Federal Student Aid. The student numbers were assigned in Appendix A Student Sample. The appendix was encrypted and sent separately to the institution via e-mail.

**Federal Student Aid**

An OFFICE of the U.S. DEPARTMENT of EDUCATION

School Participation Division – New York/Boston

5 Post Office Square, 9th Floor, Suite 950A, Boston Massachusetts 02109-3921

StudentAid.gov

### Appeal Procedures:

This constitutes the Department's FPRD with respect to the liabilities identified from the January 5, 2012 program review report. If Goodwin wishes to appeal to the Secretary for a review of financial liabilities established by the FPRD, the institution must file a written request for an administrative hearing. Please note that institutions may appeal financial liabilities only. The Department must receive the request no later than 45 days from the date Goodwin receives this FPRD. An original and four copies of the information Goodwin submits must be attached to the request. The request for an appeal must be sent to:

Director  
Administrative Actions and Appeals Service Group  
U.S. Department of Education  
Federal Student Aid/PC  
830 First Street, NE UCP3, Room 84F2  
Washington, DC 20002-8019

Goodwin's appeal request must:

- (1) indicate the findings, issues and facts being disputed;
- (2) state the institution's position, together with pertinent facts and reasons supporting its position;
- (3) include all documentation it believes the Department should consider in support of the appeal. An institution may provide detailed liability information from a complete file review to appeal a projected liability amount. Any documents relative to the appeal that include PII data must be redacted except the student's name and last four digits of his / her social security number (please see the attached document, "Protection of Personally Identifiable Information," for instructions on how to mail "hard copy" records containing PII); and
- (4) include a copy of the FPRD. The program review control number (PRCN) must also accompany the request for review.

If the appeal request is complete and timely, the Department will schedule an administrative hearing in accordance with § 487(b)(2) of the HEA, 20 U.S.C. § 1094(b)(2). The procedures followed with respect to Goodwin's appeal will be those provided in 34 C.F.R. Part 668, Subpart H. **Interest on the appealed liabilities shall continue to accrue at the applicable value of funds rate, as established by the United States Department of Treasury, or if the liabilities are for refunds, at the interest rate set forth in the loan promissory note(s).**

### Record Retention:

Program records relating to the period covered by the program review must be retained until the later of: resolution of the loans, claims or expenditures questioned in the program review; or the end of the retention period otherwise applicable to the record under 34 C.F.R. §§ 668.24(e)(1), (e)(2), and (e)(3).

The Department expresses its appreciation for the courtesy and cooperation extended during the review. If the institution has any questions regarding this letter, please contact Tracy Nave at 617-289-0145. Questions relating to any appeal of the FPRD should be directed to the address noted in the Appeal Procedures section of this letter.

Sincerely,



Betty Coughlin  
Division Director

Enclosure:  
Protection of Personally Identifiable Information  
Program Review Report (and appendices)  
Final Program Review Determination Report (and appendices)

cc: Bonnie Soltz-Knowlton, Financial Aid Administrator  
Connecticut Office of Financial and Academic Affairs for Higher Education  
New England Association of Schools and Colleges - CHE  
Department of Defense  
Department of Veterans Affairs  
Consumer Financial Protection Board

Prepared for  
**Goodwin College**

**Federal Student Aid**  
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OPE ID 02244900  
PRCN 2010-101-27063

Prepared by  
**U.S. Department of Education**  
**Federal Student Aid**  
**School Participation Division – New York/Boston**

# Final Program Review Determination

April 23, 2015 (Reissued for revised repayment instructions)

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**A. Institutional Information**

Goodwin College  
One Riverside Drive  
East Hartford, CT 06118-9980

Type: Private Nonprofit

Highest Level of Offering: Bachelor's Degree

Accrediting Agency: New England Association of Schools and Colleges - CHE

Current Student Enrollment: 3,317

% of Students Receiving Title IV, HEA funds: 89% (2009-2010)

Title IV, HEA Program Participation:

**2011-2012 Award Year**

Federal Pell Grant Program:	\$7,747,452
Federal Supplemental Educational Opportunity Grant (SEOG) Program	\$262,567
Federal Work Study:	\$218,739
Federal Direct Loan Program:	\$35,587,596
Total funding:	\$43,816,354

Default Rate FFEL/DL:	2011	10.2%
	2010	3.0%
	2009	2.3%



## **B. Scope of Review**

The U.S. Department of Education (the Department) conducted a program review at Goodwin College (Goodwin) from November 30, 2009 through December 9, 2009. The review was conducted by Mark Malboeuf, Ed Buckley and Stephen Podeszwa.

The focus of the review was to determine Goodwin's compliance with the statutes and federal regulations as they pertain to the institution's administration of Title IV programs. The review consisted of, but was not limited to, an examination of Goodwin's policies and procedures regarding institutional and student eligibility, individual student financial aid and academic files, attendance records, student account ledgers, and fiscal records.

A sample of 30 files was identified for review from the 2008-2009 and 2009-2010 (year to date) award years. The files were selected randomly from a statistical sample of the total population receiving Title IV, HEA program funds for each award year. In addition, 6 files were selected where the institution utilized its judgment to override the dependency status of the student. Four additional files of students who were Federal Work Study recipients were also reviewed. Appendix B lists the names of the students whose files were examined during the program review. A program review report was issued on January 5, 2012.

### **Disclaimer:**

Although the review was thorough, it cannot be assumed to be all-inclusive. The absence of statements in the report concerning Goodwin's specific practices and procedures must not be construed as acceptance, approval, or endorsement of those specific practices and procedures. Furthermore, it does not relieve Goodwin of its obligation to comply with all of the statutory or regulatory provisions governing the Title IV, HEA programs.

## **C. Findings and Final Determinations**

### **Resolved Findings**

#### **Finding 2: Disbursement of a FFEL Subsidized Loan to an Ineligible Student**

Goodwin has taken the corrective actions necessary to resolve finding 2 of the program review report. Therefore, this finding may be considered closed. The finding requiring further action by Goodwin is discussed below.

### **Findings with Final Determinations**

The program review report's finding requiring further action is summarized below. At the conclusion of the finding is a summary of Goodwin's response to the finding, and the Department's final determination for that finding. A copy of the program review report issued on January 5, 2012 is attached to this report.

Note: Any additional costs to the Department, including interest, special allowances, cost of funds, unearned administrative cost allowance, etc., are not included in individual findings, but instead are included in the summary of liabilities table in Section D of the report.

**Finding 1: English as a Second Language (ESL) Students Received Title IV funds for which they were not eligible**

**Noncompliance:**

An educational program that consists solely of instruction in ESL qualifies as an eligible program if the institution admits to the program only students who the institution determines need the ESL instruction to use already existing knowledge, training, or skills; and the program leads to a degree, certificate, or other recognized educational credential. 34 C.F.R. § 668.8(j)  
Further the institution must document its determination that ESL instruction is necessary to enable each student enrolled in its ESL program to use already existing knowledge, training, or skills. 34 C.F.R. § 668.8(j)(2). The ESL program is eligible for the Federal Pell Grant Program only. 34 C.F.R. § 668.8(j)(3).

During the course of the program review, the Department found that Goodwin improperly disbursed funds to students who did not meet the ESL only requirements. Goodwin's standalone ESL Program was approved by the Department in 2005. For the purposes of the standalone ESL Program, Goodwin was required to determine that the ESL instruction would enable the students to use already existing knowledge, training or skills for employment. Goodwin collects the required information on its application for admission into the Department of Continuing Education – ESL Program. The student is required to certify with a signature that he or she has met this requirement. In addition, an admission's officer also signs the form.

The reviewers examined the files of 5 students enrolled in Goodwin's standalone ESL program. None of the 5 files contained the required certification. In addition, each of the students received FSEOG funds, which is not permitted.

Specifically:

Student 4 – The student's file did not contain the Continuing Education ESL Program form. The student received \$4,681 in Federal Pell Grant funds. The student also received \$4,000 in FSEOG funds.

Student 6 – The student's file contained a copy of the Continuing Education ESL Program form; however the student failed to answer the question regarding certification of knowledge, training, or skills in a vocational field. The student received \$4,731 in Federal Pell Grant funds. The student also received \$4,000 in FSEOG funds.

Student 8 – The student responded to the question regarding certification of knowledge, training, or skills in a vocational field with "Goodwin College". This response does not indicate that the student has training or skills as required by regulation. The student received \$2,365 in Federal Pell Grant funds. The student also received \$1,000 in FSEOG funds.

Student 14 – The student responded to the question regarding certification of knowledge, training, or skills in a vocational field with "cashier". This response does not meet the requirement of existing knowledge training or skills in a vocational field. The student received \$3,900 in Federal Pell Grant funds. The student also received \$4,000 in FSEOG funds.

Student 24 – The student's file contained a copy of the Continuing Education ESL Program form – however the student failed to answer the question regarding certification of knowledge, training, or skills in a vocational field. The student received \$991 in Federal Pell Grant funds. The student also received \$2,000 in FSEOG funds.



**Directives From Program Review Report:**

Goodwin was required to review the files of all students who were enrolled in the standalone ESL Program from the 2005-2006 thru 2009-2010 award years. Goodwin was to provide documentation for each student establishing he/she met the required eligibility requirements. Goodwin was also required to provide the total amount of Title IV funds disbursed to the students in question.

**Final Determination:**

Goodwin submitted a partial email response to Mark Malboeuf on February 29, 2012. The response included information regarding students 4, 6, 14 and 24 which were identified in the program review report. In addition, an official response was received from Goodwin on March 6, 2012. As part of the response Goodwin included the following spreadsheets:

- A listing of all ESL students enrolled from July 1, 2005 through June 30, 2010, and
- A listing of all ESL students who received a Pell or SEOG award from July 1, 2005 through June 30, 2010.

In addition, the Department received 3 boxes containing the information requested in the Program Review Report. Goodwin provided detailed explanations of the issues related to the students cited in the program review report. Copies of Goodwin's responses are included in Appendices D and E.

The institution's response was received and reviewed by the Department. A selection of 30 files was chosen to determine consistency between the student files and the spreadsheet reports.

It was identified in the Program Review Report that Goodwin failed to obtain a certified statement of prior knowledge, training, or skills prior to awarding Title IV aid for students enrolled in the ESL program. The Department reviewed the documentation provided for the selected students and determined that Goodwin was able to obtain a certified statement from students who originally failed to complete the field on the Continuing Education ESL Program form. Consequently, the students met the eligibility requirements outlined above.

In regards to the improper awarding of FSEOG funds, the Department has determined that Goodwin incorrectly awarded FSEOG funds to students enrolled in the ESL program.

Goodwin provided a full file review of all students enrolled in the ESL program from July 1, 2005 through June 30, 2010, and identified each student who received an FSEOG award. Goodwin disbursed a total amount of \$416,516.67 to students enrolled in the ESL program.

As a result of the ineligible disbursements, the following is due the Department for this finding:

2005/2006 FSEOG Principal (Federal Share Only)	\$ 54,733.25
2006/2007 FSEOG Principal (Federal Share Only)	\$ 99,525.00
2007/2008 FSEOG Principal (Federal Share Only)	\$149,129.25
2008/2009 FSEOG Principal (Federal Share Only)	\$ 3,000.00
FSEOG Interest	\$ 52,490.98
Administrative Cost Allowance	\$ 20,425.83
Total	\$379,304.31

Details of this liability can be found in Appendix F.

#### D. Summary of Liabilities

The total amount calculated as liabilities from the findings in the program review determination is as follows.

Liabilities	FSEOG	
Finding 1	\$306,387.50	
<b>Subtotal</b>	\$306,387.50	
Interest/SA	\$52,490.98	
Excess Cash		
ACA	\$20,425.83	
<b>Subtotal</b>	\$72,916.81	
<b>TOTAL</b>	\$379,304.31	
<b>Payable To:</b>		<b>Totals</b>
Department	\$379,304.31	\$379,304.31

#### Adjusting Federal Supplemental Education Opportunity Grant (FSEOG) Liabilities:

Finding 2  
Appendix F

The appropriate methodology for returning the 2007/2008 and 2008/2009 award year FSEOG liabilities involves making revisions to the FISAP reports. Instructions for completing these revisions are described in Section 2 of the Payment Instructions. Therefore, the total liability payable to the Department has been modified to exclude the principal amount of FSEOG owed for these award years. The adjusted liability total for the prior award years is identified in Section 1 of the Payment Instructions.

#### E. Payment Instructions

##### Liabilities Owed to the Department

Goodwin owes to the Department \$227,175.00. This liability must be paid using an electronic transfer of funds through the Treasury Financial Communications System, which is known as FEDWIRE. Goodwin must make this transfer within **45 days of the date of this letter**. This repayment through FEDWIRE is made via the Federal Reserve Bank in New York. If Goodwin's bank does not maintain an account at the Federal Reserve Bank, it must use the services of a correspondent bank when making the payments through FEDWIRE.

Any liability of \$100,000 or more identified through a program review must be repaid to the Department via FEDWIRE. The Department is unable to accept any other method of payment in satisfaction of these liabilities.

***Payment and/or adjustments made via G5 will not be accepted as payment of this liability. Instead, the school must first make any required adjustments in COD as required by the applicable finding(s) and Section II – Instructions by Title IV, HEA Program (below), remit payment, and upon receipt of payment the Department will apply the funds to the appropriate G5 award (if applicable).***

Instructions for completing the electronic fund transfer message format are included on the attached FEDWIRE form. The repayment must be accomplished within 45 days of the date of this letter. If payment is not received through FEDWIRE within that period, interest will accrue in monthly increments, starting with the day after the date of this letter until the date of receipt at FEDWIRE.

If you have any questions regarding interest accruals or payment credits, you may telephone 202-245-8080 and ask to speak to your institution's account representative.

If full payment cannot be made within 45 days of the date of this letter, contact the Debt Management Group at (202) 245-8080 to apply for a payment plan. Interest charges and other conditions apply. Written request may be sent to:

U.S. Department of Education  
Office of the Chief Financial Officer  
Accounts Receivable Group  
550 12<sup>th</sup> Street, SW, Room 6114  
Washington, DC 20202-4461

If within forty-five days of the date of this letter, your institution has neither made payment in accordance with these instructions nor entered into an arrangement to repay the liability under terms satisfactory to the U.S. Department of Education, the Department intends to collect the amount due and payable by administrative offset against payments due to your organization from the Federal Government. Your institution may object to the collection by offset only by challenging the existence or amount of the debt.

Your institution makes this challenge by timely appealing this determination under the procedures described in the "Appeal Procedures" section of this letter. The Department will use those procedures to consider any objection to offset. No separate appeal opportunity will be provided. If a timely appeal is filed, the Department will defer offset until completion of the appeal, unless the Department determines that offset is necessary as provided in 34 C.F.R. § 30.28. This debt may also be referred to the Department of the Treasury for further action as authorized by the Debt Collection Improvement Act of 1996.

The following identification data applies to this repayment and must be written on the attached FEDWIRE form and any other documents submitted related to this liability:

Amount: \$227,175.00  
TIN: 061627882  
DUNS: 085066157  
Program Review Control Number: 2010-101-27063



Attachment: FEDWIRE Form

**FSEOG (Prior to 2007-2008 AY)**

Finding 2

Appendix F

Goodwin must repay \$227,175.00 as detailed below:

<b>FSEOG Funds</b>				
Amount (Principal)	Amount (Interest)	Administrative Cost Allowance	Title IV Grant	Award Year
\$ 54,733.25			FSEOG	2005/2006
\$ 99,525.00			FSEOG	2006/2007
	\$ 52,490.98		FSEOG	2005/2006, 2006/2007, 2007/2008, 2008/2009
		\$20,425.83	FSEOG	2005/2006, 2006/2007, 2007/2008, 2008/2009
Total Principal	Total Interest	Total Administrative Cost Allowance		
\$154,258.25	\$52,490.98	\$20,425.83		

**FISAP Corrections (2007-2008 AY to Present)**

Finding 2  
Appendix F

Goodwin must make corrections to its FISAP for award years 2007-2008, 2008-2009 and 2009-2010 as follows:

- Log into eCB and make changes to the Working Copy, click on Submit and choose "Change Request". Provide the justification for the changes in the comments box, including that the changes are a result of a program review and include the Program Review Control Number 2012-1-01-27063.
- Once the request is approved, submit the changes within 5 days.
- Changes to the FISAP may result in changes to subsequent FISAPS. Contact the eCB Call Center at (877) 801-7168 for assistance in making this determination.

**FSEOG:**

- If the recalculation of the school's funding results in an unprocessed deobligation (negative balance) because the school has drawn down its full authorization, return those funds via G5 in accordance with the automated notification from eCB. If the school has not drawn down its full authorization, the authorization will be reduced.

Goodwin must submit proof of the FISAP corrections and payment via G5 for any unprocessed deobligation (if applicable) to Lonny Meloan **within 45 days of the date of this letter**.